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DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION

An agenda for development

Report of the Secretary-General

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PREFACE

1. The General Assembly, in its resolution 47/181 of 22 December 1992, requested me to submit, in consultation with Member States, a report on an agenda for development. In an effort to gather the widest range of views about the topic of development, I asked for submissions from all Member States, as well as the agencies and programmes of the United Nations system, and encouraged ideas from public and private sources on a world-wide basis. Contributions received in the course of this process have been drawn upon in preparing the present report.

2. As requested in paragraph 5 of General Assembly resolution 48/166 of 21 December 1993, I will present my conclusions and recommendations on an agenda for development during the forty-ninth session of the Assembly, taking into account the debate at the substantive session of 1994 of the Economic and Social Council, as well as the views expressed during the discussions to be promoted by the President of the General Assembly.

I. INTRODUCTION: WHY AN AGENDA FOR DEVELOPMENT?

3. Development is a fundamental human right. Development is the most secure basis for peace.

4. Taking stock of these principles, and in keeping with my strong personal commitment to development and the recognized needs of the United Nations at this point in history, the idea of an agenda for development took shape.

5. The concept of development, and decades of effort to reduce poverty, illiteracy, disease and mortality rates, are great achievements of this century. But development as a common cause is in danger of fading from the forefront of our agenda. The competition for influence during the cold war stimulated interest in development. The motives were not always altruistic, but countries seeking to develop could benefit from that interest. Today, the competition to bring development to the poorest countries has ended. Many donors have grown weary of the task. Many of the poor are dispirited. Development is in crisis.

6. The poorest nations fall farther behind. Nations in transition from command to open economies face immense hardships. Nations that have achieved prosperity see their success accompanied by a new array of problems, social, environmental, cultural and economic, and many are consequently reluctant even to pursue their assistance policies at former levels.

7. The current situation calls for wider intellectual understanding, deeper moral commitment and more effective policy measures. Without them, a half century of considerable progress could be undermined. Worse, all peoples of the world will live on a deteriorating planet, and will increasingly lose the ability to shape their destiny in a coherent way.

8. Specific suggestions and detailed proposals for development have been produced in great quantity and are deserving of serious study. The United Nations system has produced a wealth of studies and reports on various aspects of development; they are an invaluable resource.

9. Building upon these efforts, the present report seeks to revitalize the vision of development and to stimulate an intensified discussion of all its aspects.

10. The Charter of the United Nations makes possible a maturing elaboration of the crucial idea of development, but it has been left to us in the last decades of the twentieth century to try to bring the concept of development to fulfilment.

11. Concerns have been expressed that the United Nations puts greater emphasis on peace-keeping than on issues of development. These fears are not borne out by the regular budgets or the numbers of staff members engaged in peace and in development. Yet with growing requests for funds for peace-keeping, some Member States find it difficult to increase their contributions to the developmental activities of the United Nations. Without development, however, there is no prospect for lasting peace.

12. While national Governments bear the major responsibility for development, the United Nations has been entrusted with important mandates for assisting in this task. The involvement of the United Nations in development spans four development decades and encompasses the full range of global problems of an economic, social, cultural and humanitarian character. It operates in all categories and at every level of development.

13. This agenda, therefore, is grounded in unique United Nations experience. Section II sets forth the five major and interlinked dimensions of development. Section III notes the multiplicity of actors in development and the process by which the United Nations can help to link these actors to the different dimensions of development. Annex I to the present report shows the scale of the United Nations involvement in development. In discussing the involvement of the United Nations in development, I have primarily limited myself to the United Nations itself, including its funds and programmes. The work of the specialized agencies of the United Nations system, essential as it is, is not the focus of the present document.

14. In the light of the new vision of development that is emerging, an alternative to the United Nations in development simply does not exist. The United Nations is a forum where the voices of all States, great and small, can be heard with equal clarity, and where non-State actors can make their views known to the widest audience. There is still time to move forward together, but greater urgency is necessary. With each passing day's delay, the work grows more costly and difficult.

15. While there is war, no State is securely at peace. While there is want, no people can achieve lasting development.

II. THE DIMENSIONS OF DEVELOPMENT

A. Peace as the foundation

16. Traditional approaches to development presuppose that it takes place under conditions of peace. Yet that is rarely the case. The absence of peace is a pervasive reality in many parts of the world. Most peoples must strive to achieve their development against a background of past, present or threatened conflict. Many carry the burden of recent devastation and continuing ethnic strife. None can avoid the realities of a world of ongoing arms proliferation, regional war, and the possibility of a return to potentially antagonistic spheres of influence. To the categorization of countries by level of development should be added the categorization of countries in conflict. Because the United Nations is active at the forefront of humanitarian aid, refugee assistance, and the range of peace operations, it is deeply and inextricably involved in peace as a fundamental dimension of development.

17. Development cannot proceed easily in societies where military concerns are at or near the centre of life. Societies whose economic effort is given in substantial part to military production inevitably diminish the prospects of their people for development. The absence of peace often leads societies to devote a higher percentage of their budget to the military than to development

needs in health, education and housing. Preparation for war absorbs inordinate resources and impedes the development of social institutions.

18. The lack of development contributes to international tension and to a perceived need for military power. This in turn heightens tensions. Societies caught in this cycle find it difficult to avoid involvement in confrontation, conflict or all-out warfare.

19. While in some nations service in the military is the most reliable path to an education and to the acquisition of job skills for civilian life, there are also cases in which military production may disseminate advanced technologies of eventual use for civilian purposes. But national budgets which focus directly on development better serve the cause of peace and human security.

20. Situations of conflict require a development strategy different from that obtaining under peaceful conditions. The characteristics of development will differ according to the nature of the situation. Development in the context of international war does not involve the same problems as development during guerrilla warfare, or development when governmental institutions are under military control.

21. Although development activities yield their best results in conditions of peace, they should start prior to the end of hostilities. Emergency relief and development should not be regarded as alternatives; one provides a starting point and a foundation for the other. Relief requirements must be met in a way which, from the outset, provides a foundation for lasting development. Camps for refugees and displaced persons must be more than mere holding grounds for victims. Vaccination campaigns, literacy drives and special attention to the conditions of women are important at these times. All can lay the groundwork for community development even while emergency relief is being provided. Capacity-building steps should not await the formal termination of hostilities, but must begin to be performed alongside urgent wartime services. Conflict, terrible as it is, can provide opportunities for major reform and its consolidation. The ideals of democracy, respect for human rights and measures for social justice can begin to take form at this stage.

22. Peace-building means action to identify and support structures which will tend to strengthen and solidify peace in order to avoid a relapse into conflict. As preventive diplomacy aims to prevent the outbreak of a conflict, peace-building starts during the course of a conflict to prevent its recurrence. Only sustained, cooperative work on the underlying economic, social, cultural and humanitarian problems can place an achieved peace on a durable foundation. Unless there is reconstruction and development in the aftermath of conflict, there can be little expectation that peace will endure.

23. Peace-building is a matter for countries at all stages of development. For countries emerging from conflict, peace-building offers the chance to establish new institutions, social, political and judicial, that can give impetus to development. Land reform and other measures of social justice can be undertaken. Countries in transition can use peace-building measures as a chance to put their national systems on the path of sustainable development. Countries high on the scale of wealth and power must hasten the process of partial

demobilization and defence conversion. Decisions made at this stage can have an immense impact on the course of their societies and the international community for future generations.

24. The most immediate task for peace-building is to alleviate the effects of war on the population. Food aid, support for health and hygiene systems, the clearance of mines and logistical support to essential organizations in the field represent the first peace-building task.

25. At this stage too, it is essential that efforts to address immediate needs are undertaken in ways that promote, rather than compromise, long-term development objectives. As food is provided there must be concentration on restoring food production capacities. In conjunction with the delivery of relief supplies, attention should be given to road construction, restoration and improvement of port facilities and establishment of regional stocks and distribution centres.

26. Mine clearance is a unique post-conflict undertaking. The world is awakening to the reality that the proliferation of land-mines poses a major obstacle to development and must be halted. Because they remain in the ground long after hostilities have ended, killing and maiming indiscriminately, mines effectively prevent the use of large tracts of land, while imposing a huge burden on families and the health infrastructures of post-conflict countries. In many cases, the removal of land-mines and unexploded ordnance is a prerequisite for all other post-conflict peace-building activities. Techniques applicable under conditions prevalent in most countries are slow and painstaking. Mine clearance has to be conducted for a great many years and therefore must be managed and undertaken by nationals. Capacity needs to be established to undertake, monitor and assess mine clearance and to maintain national standards in accordance with international guidelines.

27. The reintegration of combatants is difficult, but it is critically important to stability in the post-conflict period. In many conflicts, soldiers have been recruited at a very young age. As a result, the capacity of former combatants to return to peacetime society and make a living is severely compromised, thereby undermining society's prospects for development.

28. Effective reintegration of combatants is also essential to the sustainability of peace. Credit and small-enterprise programmes are vital if ex-combatants are to find productive employment. Basic education for re-entry into civilian society, special vocational programmes, on-the-job training, and education in agricultural techniques and management skills are key to post-conflict peace-building. To a certain extent, some technical skills learned by soldiers can be important to national reconstruction.

29. As conflict typically takes a heavy toll on the mechanisms of governance, post-conflict efforts must pay special attention to their repair. Key institutions of civil society, judicial systems, for example, may need to be reinforced or even created anew. This means assistance for a variety of governmental activities, such as a fair system for generating public sector revenue, a legislative basis for the protection of human rights, and rules for the operation of private enterprise.

30. Pulling up the roots of conflict goes beyond immediate post-conflict requirements and the repair of war-torn societies. The underlying conditions that led to conflict must be addressed. As the causes of conflict are varied, so must be the means of addressing them. Peace-building means fostering a culture of peace. Land reform, water-sharing schemes, common economic enterprise zones, joint tourism projects and cultural exchanges can make a major difference. Restoring employment growth will be a strong inducement to the young to abandon the vocation of war.

31. Reduction of military expenditure is a vital link in the chain between development and peace. Although world-wide military expenditures continue to consume too large a share of productive resources and capacity, progress has been made in recent years. World wide, between 1987 and 1992 a cumulative peace dividend of $500 billion was realized; $425 billion in industrial and transitional countries and $75 billion in developing countries. Little of this peace dividend appears to have been channelled into development.

32. While figures for exports of weapons show substantial declines in real terms in the early years of this decade, major concerns persist. Imported stocks of conventional weapons from countries rapidly reducing their military establishments are finding their way to third countries. Relatively unsophisticated weapons such as mortars, machine-guns and rocket launchers, even in the hands of those with rudimentary military training, have caused immense death and destruction. Paradoxically, those expressing great concern over the rising stocks of arms worldwide are also the source of that phenomenon. The five permanent members of the Security Council account for 86 per cent of the arms supplies now flowing to the countries of the world.

33. Imports of armaments are often purchased at the expense of capital or consumer goods. Reducing military expenditures makes more funds available to finance development, satisfy consumer demands and meet basic social welfare needs. A decrease in military outlays may support budgetary reform and promote macroeconomic stability. National efforts can be reoriented away from military priorities towards more productive and peaceful objectives. Global tensions and rivalries can be reduced. The overall impact on development is potentially profound.

34. The armed forces absorb some of the most talented members of society, whose training costs are considerably above the social average and whose energies are directed to the operation of increasingly sophisticated military hardware. Armament production utilizes industrial skills and capacity that could be put to other uses.

35. Among many of the countries in transition, procurement of new weapons systems has collapsed and most military expenditure is now for personnel costs, including pensions. Whole communities which were dependent on defence industries are now threatened, unless they can adapt themselves to changing requirements. Fears of further increases in unemployment are slowing reductions in the size of armed forces, while military industries are being kept solvent by massive subsidies to the detriment of overall macroeconomic goals.

36. Demilitarization has also produced painful strains among the industrialized market economies, though less severe than those in countries in transition. Particular localities and firms have been severely affected, but the market mechanism has made it easier for resources to be absorbed in other sectors of the economy. Alternative employment has often been difficult to find for many workers however, and retraining remains sporadic.

37. These problems, however, should not deter countries from promoting the transition towards smaller militaries. The reduction of military spending not only frees up public expenditures for social purposes, but also allows credit to flow to needed economic investments. Over the longer term, these transitions will prove worthwhile, even if they are painful in the short term.

38. While it had been hoped that the end of the cold war would lead to a dramatic fall in military spending, progress has been difficult to achieve in an atmosphere increasingly marked by ethnic strife and economic insecurity. Relief at the end of the bipolar arms race is being supplanted by alarm over the prospect of several regional build-ups of both conventional arms and weapons of mass destruction. In a number of countries, especially in the Middle East and Asia, military expenditure has continued to increase. Fear of confrontation over shared resources, domestic instability and fear of heavily armed neighbours have all been factors. In some instances, the diminished possibility of super-Power intervention has increased the explosiveness of regional antagonisms. The lucrative aspects of the arms trade should also be taken into account. In this context, I support calls for a world-wide ban on the production and transfer of land-mines and their components.

39. Arms control and disarmament reduce the threat of destruction, economic decline and tensions that lead to war. A world of lower military expenditures, reduced military establishments, smaller stocks of weapons and less environmental destruction by military-related activities is not only desirable in itself, but propitious for development.

40. Today, even remote conflicts can pose security and developmental concerns far beyond a State's borders. This new recognition gives international peace and security a wider meaning, calls for measures that can further development even during conflict, and indicates that development, when successfully pursued, is another way to define peace.

B. The economy as the engine of progress

41. Economic growth is the engine of development as a whole. Without economic growth, there can be no sustained increase in household or government consumption, in private or public capital formation, in health, welfare and security levels. By whatever social processes distributional choices are made, the capacity to make them is severely limited in poor societies and is enhanced by economic growth. Progress in the other aspects of development discussed in this report, peace, the environment, society and democracy, will have a positive effect on economic growth.

42. Accelerating the rate of economic growth is a condition for expanding the resource base and hence for economic, technological and social transformation. While economic growth does not ensure that benefits will be equitably distributed or that the physical environment will be protected, without economic growth the material resources for tackling environmental degradation will not exist, nor will it be possible to pursue social programmes effectively in the long term. The advantage of economic growth is that it increases the range of human choice.

43. It is not sufficient, however, to pursue economic growth for its own sake. It is important that growth be sustained and sustainable. Growth should promote full employment and poverty reduction, and should seek improved patterns of income distribution through greater equality of opportunity.

44. If poverty persists or increases and there is neglect of the human condition, political and social strains will endanger stability over time. The reduction of poverty requires development in which access to the benefits of economic progress are as widely available as possible, and not concentrated excessively in certain localities, sectors or groups of the population.

45. Improved education, health and shelter, together with an increase in meaningful employment opportunities, will contribute directly to reducing poverty and its consequences. Apart from being desirable goals in themselves, education, health and shelter are all essential to a productive work-force and hence to economic growth. The elimination of hunger and malnutrition should be targets in their own right.

46. For sustained growth to take place, two conditions are necessary; a supportive national environment, and a favourable international climate. Without appropriate national policies, no amount of assistance, bilateral or multilateral, will lead to sustained growth. On the contrary, assistance given in this way can reinforce dependence on the outside world. Without a favourable international climate, domestic policy reform will be difficult to achieve, threatening the success of reforms and increasing the hardships suffered by the population.

47. Successful national economic experiences must be based on pragmatic policies. The need to take advantage of the efficiency of markets must be tempered by recognition of the need for Governments to act where markets cannot provide all the answers.

48. Governments can no longer be assumed to be paramount economic agents. They nevertheless retain the responsibility to provide a regulatory framework for the effective operation of a competitive market system. Governments have to intervene where appropriate: to invest in infrastructure, to facilitate the development of productive sectors, to provide an enabling environment for the promotion of private enterprise, to ensure that proper social safety nets are in place, to invest in human capital and to protect the environment. Governments provide the framework in which individuals can plan their long-term prospects.

49. There are no definite prescriptions for a division of roles. Public and private expenditures are not invariably substitutes for one another. The

relationship between them is frequently of a complementary rather than a competitive character. Government policies for the promotion of a sound macroeconomic framework are essential for sustained economic growth. Such macroeconomic policies, however, must rest upon solid micro-economic foundations which provide for the efficient allocation of scarce resources. Should markets fail to perform their functions, or fail to address essential welfare considerations, there is scope for government intervention. However, government policies and programmes are subject to failure as well; in such circumstances an empowered private sector can be essential.

50. Finding the right blend of government direction of the economy and encouragement of private initiative is perhaps the most pressing challenge of economic development. This is not only a problem for developing or transitional economies. In the search for the difficult path which lies between dirigisme and laissez-faire, all countries are involved. Major market economies, with recurrent recession and persistent high rates of unemployment, are also facing this challenge.

51. Increasing interdependence among nations has accelerated the transmission of both positive growth impulses and negative shocks. As a result, economic problems, even at the national level, now have to be seen in their global context. The distinction between national and international economic policies is fading. No nation, however successful, can insulate itself from the demographic, environmental, economic, social and military problems which exist in the world. The effects of deprivation, disease and strife in one part of the globe are felt everywhere. They will not be successfully managed until global development is under way.

52. All countries are part of an international economic system, but while many countries remain imperfectly integrated into it, others are excessively vulnerable to its instability. Development is hampered by external debt problems, the decrease in external resource flows, sharply declining terms of trade and mounting barriers to market access. Inadequate technological cooperation has prevented many countries from improving the efficiency of resource use, thus adversely affecting their international competitiveness and further inhibiting their integration into the world economy.

53. The expansion of international trade is essential to economic growth and is an integral part of the economic dimension of development. The benefits of increased commerce and trade are not in doubt: lower transaction costs, greater economic opportunities and enhanced international confidence, trust and security.

54. Difficult access to the world trading system is an enormous obstacle to development. At present, that system often discriminates against the developing world by limiting its advantage in low labour costs, while the price of many primary commodities has tended to decline.

55. The internationalization of economic activity, the increasing reliance on market forces, the widespread recognition that private initiative is a potent force for economic growth, and the massive efforts undertaken towards trade liberalization by developing and transitional countries call for an open and

transparent trading system in which rules and disciplines are respected by all. When countries find that they have a distinct comparative advantage in one particular economic activity and invest accordingly, they should not be confronted later with new protectionist measures when their investment is beginning to yield fruit and their product penetrates other markets.

56. But economic interdependence is rapidly becoming far more than a matter of trade and finance. There are also strong trends towards greater openness in the movement of funds, people and ideas around the world. This has encouraged Governments to create a national environment that attracts outside investment.

57. The pursuit of globally responsible macroeconomic policies by those countries whose economic strength shapes the international economic environment is essential to all development efforts. The role of the major economies in world finance remains preponderant. Their policies on interest rates, inflation and exchange rate stability are particularly significant. Exchange rate volatility compounds the debt problem through its effect on interest rates, foreign exchange earnings and reserves, and debt servicing. The policies the major economies follow in their domestic affairs will be of decisive importance in a world increasingly characterized by global capital markets.

58. Effective international cooperation for development cannot succeed unless the major economies make it their own objective. No mechanism exists by which the major economies can be induced to make globally beneficial structural change in their own economies, or to adopt more globally responsible economic, fiscal and monetary policies.

59. At present, economic policy coordination among the major economies centres on the Group of Seven industrialized countries. Repeated efforts by the developing world, such as the current attempt to create a Group of Seven-Group of Fifteen (Summit Level Group for South-South Consultation and Cooperation) connection, have failed. With the recognition that growth in the major industrialized countries is no longer the sole engine of global development, change is warranted so that the processes of economic policy coordination become more broad-based.

60. The mechanisms for integrating responsible economic policies at the international level and growth at the national level are not yet fully developed. Leading the list of priorities are adequate measures to reduce the crippling burden of international debt, policies to discourage tendencies towards protectionism, and ensuring that the developing world shares in the benefits of the new World Trade Organization regime.

61. The lack of financial resources necessary for economic development is exacerbated by the debt crisis, which makes an already difficult situation much worse. In the last decade, indebted developing countries have had to transfer on average between 2 and 3 per cent of their gross domestic product (GDP) abroad; in some instances transfers have amounted to 6 per cent or more of GDP. Perversely, some developing countries have now become net exporters of financial resources.

62. The debt problem has many facets. Large amounts are owed to commercial banks by some countries. Many low-income countries owe large amounts to official bilateral and multilateral creditors. Efforts have been made to restructure commercial debt and, in certain cases, forgive bilateral official debt. But not enough has been done to alleviate the burden of multilateral debt or to assist countries that, despite a large debt-servicing burden, are not in default.

63. No single formula for generating economic growth exists, but, half a century after the emergence of development as an independent field of inquiry, certain basic conditions are recognized as essential. Foremost among these is the need to take a strategic decision for development. The State must have the political will to act.

64. Development decisions are not taken in a vacuum. All societies must take into account previous development choices, political constituencies, structures of production, relations with the external environment and cultural values and expectations. The pattern of growth will depend to a large extent upon the influence of these factors and the compromises they entail.

65. The experience of countries which have achieved rapid development in the past few years can be seen as the outcome of a conscious choice by the State to give strategic priority to growth. The influence of State policies, for example in encouraging research and development or providing infrastructural and educational support, has been crucial. This does not mean, however, that growth takes place through State institutions. The State gives an impetus to growth; but it is the economy that needs to grow, not the State itself.

66. It is the State which must translate growth into forms acceptable to its political constituencies. Whatever the mode of production adopted, sustained growth which relies on the accumulation of capital, physical, human and institutional, will entail certain sacrifices of present consumption. The decision to defer consumption in favour of expected future returns is a political choice, as much as it is a decision by individuals to save.

67. The basic lesson of recent decades remains valid; as conditions, circumstances and capacities differ, so too must the mechanisms for generating growth. Growth requires political commitment and vision. The United Nations can act as facilitator and communicator, but it cannot substitute for the commitment of individual States and their domestic and international partners.

C. The environment as a basis for sustainability

68. The environment, like peace, the economy, society and democracy, permeates all aspects of development, and has an impact on countries at all levels of development. In the developing world, ecological pressure threatens to undermine long-term development. Among many countries in transition, decades of disregard for the environment have left large areas poisoned and unable to sustain economic activity in the long term. Among the wealthiest nations, consumption patterns are depleting world resources in ways that jeopardize the future of world development.

69. Development and environment are not separate concepts, nor can one be successfully addressed without reference to the other. The environment is a resource for development. Its condition is an important measure and its preservation a constant concern of development. Successful development requires policies that incorporate environmental considerations. This link was accepted at the United Nations Conference on Environment and Development (UNCED) in 1992. That Conference provided a model for other efforts toward greater coherence in development.

70. Preserving the availability and rationalizing the use of the earth's natural resources are among the most compelling issues that individuals, societies and States must face. A country's natural resources are often its most easily accessible and exploitable development assets. How well these natural resources are managed and protected has a significant impact on development and on a society's potential for progress.

71. In the context of development, each society must confront the difficult challenges associated with protecting the long-term potential of its natural resources. Competing needs and interests must be balanced. Present social and economic needs must be satisfied in ways that do not undermine long-term resource availability, or the viability of the ecosystems on which we, and future generations, depend.

72. Environmental degradation reduces both the quality and the quantity of many resources used directly by people. The consequences of failing to pay adequate attention to natural resource destruction can be catastrophic. Water pollution damages fisheries. Increasing salinity and erosion of topsoil lowers crop yields. Agricultural degradation and deforestation have promoted drought and soil erosion, and made malnutrition and famine increasingly familiar occurrences in certain regions. Overfishing and the exhaustion of marine resources have put ancient communities at risk. Excessive logging and the destruction of rainforests have destroyed important natural habitats, and undermined global biodiversity. Environmentally unsound practices in the extraction of natural resources have left large regions barren and contaminated.

73. Most alarming is the fact that degradation can, in some cases, be irreversible. Practices that will do permanent damage to the health of the planet should be urgently identified. Such practices must be halted.

74. While ensuring the preservation of natural resources implies certain limitations, it also provides many valuable incentives and opportunities for new thinking. Science and technology can play an important role. Increased energy efficiency and the development of new and renewable sources of energy will be essential. A change in lifestyles and attitudes towards energy consumption by more affluent people, along with more efficient production processes, will contribute to a more sustainable pattern of global development.

75. Integrating natural resource management and conservation into national development can have many broadly beneficial results. Tourism, upon which many countries rely, can bring important benefits, including vital infrastructure creation, increased direct and indirect employment, enhanced foreign exchange earnings, heightened environmental awareness, increased international exposure

and unique opportunities for building a stronger national identity. It is important to develop sustainable tourism strategies which preserve the natural environment.

76. Initiatives now being pioneered in several Member States are also demonstrating the importance of community involvement in all development efforts. By making local inhabitants incentive partners rather than simply collateral beneficiaries, these programmes have broken new ground. The results in many places have been significant, leading to increased appreciation for the benefits of preserving natural resources, greater community cooperation in preserving tourist assets and higher rural incomes. They are important examples from which many others can learn and benefit.

77. The link between the environment and development involves much more than the sound exploitation of natural resources however. Preserving and protecting the ecological equilibrium of our environment is a vital component not only of human development, but also of human survival.

78. Social welfare is reduced by ill health and premature mortality caused by degradation of air and water quality and by other environmental risks. Pollutants can cause health problems through direct exposure, or indirectly through changes in the physical environment. Threats to health range from increased exposure to ultraviolet radiation to deterioration in food and water quality.

79. Toxic chemicals and heavy metals can contaminate rivers and other water supplies. Many of these contaminants can be hard to remove from drinking water using standard purification techniques. Pollutants can be absorbed by people who do not realize that the food is contaminated. The exposure to hazardous materials and the risk of contamination as a result of industrial accidents are also issues linking environment and development.

80. Although discussion of the tangible and material aspects of the environment often eclipses discussion of other benefits, the intrinsic worth and value of nature itself should be respected and the intangible satisfaction that can be derived from enjoying the natural environment should be recognized.

81. Natural disasters can have an enormous and dramatic impact on development efforts. Because natural disasters can quickly devour hard-won achievements, planning must focus on ways to cushion the inevitable shocks, so that social structures will not be irreparably damaged, economic initiatives will not be forever set back, and natural disaster victims will not be condemned to perpetual dependence on external assistance.

82. Improved environmental management requires that businesses, households, farmers, the international community and Governments change the way they behave. Targeted policies are needed to ensure that environmental values are properly reflected in economic activity. Public as well as private enterprises must be held accountable for the environmental impact of their activities, and Governments must take the lead in formulating policies and pursuing development strategies that encourage environmentally sound development.

83. In many countries, institutional inadequacies are proving to be major obstacles to the design and implementation of environmentally sound and responsible development projects. Therefore, national capacities for designing, implementing and enforcing environmental policies must be strengthened.

84. The interconnections between the environment, society, the economy and political participation highlight the importance of addressing the environmental aspect of development in a national context. The link between poverty and environmental sustainability is particularly compelling. Although poor communities often have a strong ethic of stewardship in managing their traditional lands, growing population pressures and a lack of resources often make it difficult for them to avoid degrading their environment. The very poor, struggling at the edge of subsistence, are preoccupied with day-to-day survival. Often, they are both victims and agents of environmental deterioration. Policies that improve the environment, reducing water contamination, for example, often bring the greatest positive benefit to the poorest members of society. Policies that are effective in reducing poverty will help reduce population growth and decrease pressure on the environment.

85. Policies that promote technological cooperation and the efficient use of resources can also help in finding solutions to environmental challenges. The relationships between inputs and outputs and the overall effects of economic activity on the environment are continually changing. The key to increased sustainability is not necessarily to produce less, but rather to produce differently. Rising incomes can pay for investments in environmental improvement, and preventing the depletion or degradation of nature is much less expensive than trying to undo the damage.

86. Individuals and communities often lack information about environmental impacts or about low-cost ways to avoid damage. Governments and others must therefore actively promote environmental awareness. Awareness can be the most significant factor in motivating environmental action.

87. If sustainable development is to succeed, it must become the concern and commitment not just of Governments, but of all segments of society. Sustainable development means a commitment to using renewable resources and to avoiding the over-consumption of non-renewable resources. It means choosing products and production processes that have the least adverse impact on the environment. In agriculture, it means avoiding the excessive use of harmful, energy-intensive chemicals and preserving biodiversity. In all areas of public and private life it means a commitment to conserving natural resources and protecting the ecological equilibrium.

88. Setting priorities for international environmental policy is particularly complex. The costs of doing nothing may be borne by other nations, and the gains may not accrue to those that take the most difficult decisions.

89. Consideration must be given to problems at all levels. Some problems, such as damage to the ozone layer, are global. Transborder industrial pollution may be regional. Drinking-water contamination may be local in effect. The respective roles of regulation and incentives at different levels can be

crucial. Norms and direct regulations will be necessary, but the use of taxes and licences can also achieve results.

90. The consequences of deforestation and environmental degradation have produced pressures that have touched off bitter conflicts. In a growing number of regions, poverty, resource degradation and conflict are becoming an all too familiar triangle. Throughout the world, refugees from the effects of environmental devastation and depletion place an added burden on already hard-pressed urban areas.

91. But while the spectre of resource-based conflict dramatizes the common stake that all nations have in addressing the challenge of environment and development, international cooperation is required in order effectively to address a wide range of common environment and development interests. When the effects of environmental degradation cross national boundaries it is not possible to rely, as in an individual country, on a common legal framework, on uniform regulatory controls, on shared economic incentives or on the coercive powers of a national Government.

92. Solutions to international environmental problems must be based on common principles and rules of collaboration among sovereign States, backed up by persuasion and negotiation. Regional problems, with possible political implications, can arise when neighbouring countries share a common resource, such as international rivers or regional seas. There are also global environmental resources, such as the atmosphere and the oceans, that must be a target of multilateral action. In the case of resources that belong to one country but that are of value to the international community, ecological habitats and rare species, for example, individual States are entitled to international cooperation for the preservation of the common legacy.

93. Sustainability must be strengthened as a guiding principle of development. Partnership is required at all levels of the development effort; among different departments and levels of administration within States, as well as between international organizations, Governments and non-State actors. In short, true partnership is required between humanity and nature.

D. Justice as a pillar of society

94. Development does not take place in a vacuum, nor is it built upon an abstract foundation. Development takes place within a specific societal context and in response to specific societal conditions. It affects all aspects of society, and all aspects of society contribute to or detract from development. Economic growth and technological transformation affect human relationships, societal structures, values and lifestyles. Social and human resource development makes social and economic relations more harmonious, facilitates inclusiveness and societal cohesion, and provides a solid and adaptable foundation for achieving long-term progress.

95. Existing social conditions are the starting-point for development efforts. To a large extent, they determine its priorities and its direction. Throughout much of the developing world, poverty, disease and the need for education and

sustainable livelihoods are the most urgent and compelling priorities for development. In many of the countries in transition, sudden economic hardship, decaying industries and infrastructures and profound social disorientation are problems that development must urgently address. Among the richest countries, the growth of a permanent and disaffected underclass, the arrival of increasing numbers of economic migrants and a rise in xenophobia and exclusionary attitudes are realities that must be faced as these societies continue to advance and develop.

96. People are a country's principal asset. Their well-being defines development. Their energy and initiative drive development. Their characteristics determine the nature and direction of sustainable human development. The benefits of investing in people, however, go beyond increasing the productivity of labour and facilitating access to global opportunities. A healthy, well-educated citizenry contributes to the social cohesion of a country and imparts a dynamism to all aspects of life and culture.

97. Absolute poverty, hunger, disease and illiteracy are the lot of one fifth of the world's population. There can be no more urgent task for development than to attack both the causes and the symptoms of these ills. It is a task that requires action and commitment. It is an agenda that requires the widest possible distribution of development efforts, the implementation of broad-based strategies and the orientation of development efforts towards projects that enhance people rather than national prestige.

98. Demographic growth rates affect the consumption and production patterns of societies. Beyond a certain point, however, unsustainable and unsupportable population growth can have adverse effects on development efforts globally. These effects in turn have profound implications for the use of natural resources such as water, wood, fuel and air. They affect the ability of Governments to supply the basic services that people require, including education and health care.

99. Fertility and mortality rates have societal implications that go beyond population counts. Reduction in fertility, for example, means smaller households and less time devoted to childbearing and rearing. These changes enable increased numbers of women to continue their formal education and to choose to work outside the home. Education further increases their chances of employment and enhances their ability to make choices in all aspects of life. Lower levels of mortality and fertility also result in the ageing of populations, a phenomenon that has significant implications for the labour force, dependency rates, social welfare services and health delivery systems.

100. Extended conflict has a dramatic impact on population profiles; the number of female-headed households increases as does the number of orphans and handicapped people. Close attention to these vulnerable populations is an immediate and major priority, for, without them, society itself cannot succeed. Once the family unit is reconstructed and the weak and most afflicted given care, they can provide the foundation for development efforts on a wider scale.

101. The importance of social integration as a development priority is evident worldwide, and among countries across the development spectrum. Manifestations

of the lack of social integration are familiar: discrimination, fanaticism, intolerance, persecution. The consequences are also familiar: social disaffection, separatism, micronationalism and conflict.

102. The challenge of social integration is now increasingly internationalized. Large movements of people across international borders, seeking new and better lives, are critically affecting both national and international agendas. While millions of people flee from wars, famines and natural disasters, additional millions are migrating to find employment. The regulation of immigration has become a contentious political issue in many receiving countries, while political pressures to emigrate have added to social and economic tensions in many countries of departure. Emigrants can be among the most highly skilled and best educated, representing a serious loss of national resources and investment.

103. Until development on a global scale improves, large populations will continue to move across borders despite efforts to control or impede their flow. In some societies, resentment against migrants has fanned the flames of hatred and intolerance, and official policies have often seemed to condone separatism rather than promote social integration. Elsewhere, immigrant groups have resisted social integration. The treatment of migrants has become an issue of considerable tension in many bilateral relationships.

104. The enormous challenge of development cannot be undertaken by people whose every thought is bent towards getting enough to eat or recovery from debilitating sickness. A population that is illiterate and uneducated cannot hope to compete in a world economy that is becoming ever more complex and sophisticated. A society where women are discriminated against or lack equal opportunities cannot reach its full human potential.

105. While investment in physical capital is an important aspect of stimulating economic growth, investment in human development is an investment in long-term competitiveness and a necessary component of stable and sustainable progress. Investment in human resources must, therefore, be seen not merely as a by-product of economic growth, but rather as a powerful and necessary driving force for all aspects of development. A stable economy and a stable political order cannot be built in an unstable society. A strong social fabric is a prerequisite to sustainability.

106. The creation of an environment that will provide wide access to assets and opportunities may require governmental measures. Creating the political conditions which allow for adequate weight to be given to social development and the implementation of social development policies is also essential. These are major responsibilities of government, and of all the institutions of society. Governments should ensure that consideration is given to social and environmental factors in the framework of the market economy, and that emphasis is given to activities that promote human development throughout society. Education, health services, housing and social welfare are particular areas in which government action is often needed.

107. A vigorous civil society is indispensable to creating lasting and successful social development. Social development, if it is to take hold, must

spring from society itself. Government must lead and facilitate, but government cannot, and should not, be the only force for social progress. Non-governmental organizations (NGOs), community organizations, private enterprise, worker's organizations and other groups all must be actively involved. Locally based NGOs, in particular, can serve as intermediaries and give people a voice and an opportunity to articulate their needs, preferences and vision of a better society. Policy makers should view such organizations not as rivals to government, but as partners. In countries where civil society is weak, strengthening civil society should be a major purpose of public policy.

108. In helping to create the conditions within which social development can take place, popular participation at all levels of society is of vital importance. In order to fulfil their potential, people must participate actively in formulating their own goals, and their voices must be heard in decision-making bodies as they seek to pursue their own most appropriate path to development.

109. Democracy and a vigorous civil society are particularly vital in helping to ensure that government is sensitive to the societal costs of its policies. In many countries, the necessary process of economic structural adjustment has had harsh social consequences. Rising consumer prices and declining employment and income have often been the most immediately visible effect of adjustment and transformation. The disproportionate impact of the resulting hardships on poor and vulnerable groups has been particularly devastating. A general decline in government expenditures in the social sector, as a result of heightened budgetary austerity, has compounded the suffering for many.

110. Structural adjustment remains a necessary prescription to remedy serious economic imbalance. But it should also be clear that human needs and priorities must not be neglected, and that adjustment and transformation must have a clear human focus. The laws of economics cannot be changed, but their social consequences can be eased. Flexibility is required. In the face of such challenges, Governments must be encouraged to stay the course, but greater care must also be taken to help Governments address the dire human consequences of such reforms.

111. The expansion of productive employment is central to the alleviation and reduction of poverty and the enhancement of social integration, yet increasing unemployment levels are prevalent world wide. In many countries, higher levels of unemployment than in the past have been accompanied by significant declines in real wages among those who are employed. Among countries where full employment was previously the official norm, rapidly rising unemployment has had profound psychological consequences in addition to its severe economic and social impact. Among some countries, a prolonged period of economic retrenchment has produced the phenomenon of "jobless growth", and a more pervasive feeling of employment insecurity. Of the world labour force of 2.5 billion people, an estimated 30 per cent are not productively employed.

112. No single blueprint can be given for curing unemployment or expanding productive employment. Labour market measures, training and retraining programmes, targeted employment-creation schemes and macroeconomic policy can all affect employment levels. Since most jobs in the near future are likely to

be created in the private sector, well-designed incentive structures have an important role to play in attracting and channelling private investment for employment growth. One of the tasks of the State is to create the enabling environment for the private sector to create more and better jobs. A fair and reliable legal framework, a stable investment environment and the maintenance of basic infrastructures are essential.

113. Because agriculture accounts for the bulk of the labour force in the developing world, measures aimed at boosting agricultural productivity and expanding and diversifying the range of farm and off-farm activities need to be regarded as a development priority. Food pricing policies, agricultural techniques, rural non-farm activities with employment linkages, rural infrastructure and environmentally appropriate conservation programmes are essential components of support for the rural sector. Agricultural research to increase yields should continue to be supported.

114. Employment potential is also affected by conditions in the international economy and the structure of the international economic environment. Trade barriers have a backward ripple effect, taking away productive jobs and livelihoods in producer countries and retarding the potential for economic growth.

115. Today, employment issues must be examined in an international context. In the countries in transition there has been a necessary move towards market-economy principles a process that has temporarily generated higher levels of unemployment than had previously been experienced. Among the richest industrialized countries, structural unemployment has increased. In addition, the growth of international competitiveness has led to many industries becoming obsolete and thousands of defence industry jobs disappearing. These shifts require the retraining of millions of workers. Among both types of economies, occupational mobility is an important part of employment creation. While economically efficient, occupational mobility can be a source of psychological and social disruption. Governments, enterprises and trade unions have an increased responsibility to facilitate worker adaptation and mobility and to offer training and social protection during transition periods.

116. A good general education at primary and secondary levels not only provides a broad knowledge base, but also lays a foundation for the subsequent acquisition of more narrowly defined skills, and for renewing, adapting or changing these skills to suit better the evolving needs of individuals and societies. Education facilitates equality of opportunity, thereby contributing to greater equity. Education that is both broad-based and flexible can be a driving force for progress in all dimensions of development: political, economic, environmental and social.

117. The significance of the social dimension to development must not only be recognized, but it must also be acted upon. The political profile of social development issues must be raised both nationally and internationally. Each country has a duty to address social development within its own society, and each also has a duty to contribute to progress towards a more global solution to these challenges. The present period provides an historic opportunity to do so

in an environment that is relatively free from excessive ideological tensions. It is an opportunity to be seized and turned to advantage.

E. Democracy as good governance

118. The link between development and democracy is intuitive, yet it remains difficult to elucidate. While empirically, democracy and development appear in the long-term to be inseparable, events have not always pointed to a clear causal link between the two processes. In some countries, a certain level of development has been achieved and this has been followed at a later period by a trend towards democratization. In other countries, democratization has led the way to an economic revolution.

119. In viewing democracy in the context of development, processes and trends rather than events must be our focus. From this perspective, the natural connection between development and democracy becomes clearer. Just as development is a process rather than an event, so too must democracy be regarded as a process which grows and must be sustained over time. The World Conference on Human Rights stressed the mutually reinforcing interrelationship of democracy, development and respect for human rights.

120. Democracy and development are linked in fundamental ways. They are linked because democracy provides the only long-term basis for managing competing ethnic, religious, and cultural interests in a way that minimizes the risk of violent internal conflict. They are linked because democracy is inherently attached to the question of governance, which has an impact on all aspects of development efforts. They are linked because democracy is a fundamental human right, the advancement of which is itself an important measure of development. They are linked because people's participation in the decision-making processes which affect their lives is a basic tenet of development.

121. The accumulation of economic despair, and the lack of democratic means to effect change, have sparked or exacerbated violent and destructive impulses even within relatively homogeneous societies. Civil conflict and strife have increasingly become threats to international peace and profound obstacles to development. Ethnic antagonism, religious intolerance and cultural separatism threaten the cohesion of societies and the integrity of States in all parts of the world. Alienated and insecure minorities, and even majorities, have increasingly turned to armed conflict as a means of addressing social and political grievances.

122. Democracy is the only long-term means of both arbitrating and regulating the many political, social, economic and ethnic tensions that constantly threaten to tear apart societies and destroy States. In the absence of democracy as a forum for competition and a vehicle for change, development will remain fragile and be perpetually at risk.

123. Unrest and conflict can destroy in a few months progress towards development painstakingly achieved over the course of many years. In the eventual rush to settle old scores, redress perceived grievances and establish

new utopias, whatever gains that may have been achieved will be one of the many casualties.

124. Holding elections is only one element in democratization. Member States have sought and received United Nations assistance in facilitating decolonization, thereby implementing the right to self-determination, in designing procedures to smooth and facilitate transitions to democracy and in building democratic alternatives to conflict. United Nations support has also been provided for activities such as drafting constitutions, instituting administrative and financial reforms, strengthening domestic human rights laws, enhancing judicial structures, training human rights officials and helping armed opposition movements transform themselves into democratically competitive political parties.

125. Improving and enhancing governance is an essential condition for the success of any agenda or strategy for development. Governance may be the single most important development variable within the control of individual States.

126. In the context of development, improved governance has several meanings. In particular however, it means the design and pursuit of a comprehensive national strategy for development. It means ensuring the capacity, reliability and integrity of the core institutions of the modern State. It means improving the ability of government to carry out governmental policies and functions, including the management of implementation systems. It means accountability for actions and transparency in decision-making.

127. Regardless of ideology, geography or stage of development, societies lacking in democracy tend, over time, to resemble each other, with a relatively powerless middle class, a population constrained to silence and a ruling oligarchy which benefits itself through the management of a system of pervasive and often institutionalized corruption. People in a democracy have greater freedom to speak out against graft and corruption. Improved governance means that bureaucratic procedures help ensure fairness rather than enrich officials.

128. While democracy is not the only means by which improved governance can be achieved, it is the only reliable one. By providing for greater popular participation, democracy increases the likelihood that national development goals will reflect broad societal aspirations and priorities. By providing appropriate mechanisms and channels for governmental succession, democracy provides incentives to protect the capacity, reliability and integrity of core state institutions, including the civil service, the legal system and the democratic process itself. By establishing the political legitimacy of governments, democracy strengthens their capacity to carry out their policies and functions efficiently and effectively. By making Governments accountable to citizens, democracy makes particular Governments more responsive to popular concerns and provides added incentives for transparency in decision-making.

129. The mandate of the people to govern provides legitimacy; it does not carry with it, however, the guarantee of skill or wisdom. Democracy cannot instantly produce good governance, nor will democratic government immediately lead to substantial improvements in growth rates, social conditions or equality. By providing channels for participation of people in decisions which affect their

lives, democracy brings government closer to the people. Through decentralization and strengthening of community structures, local factors relevant to development decisions can more adequately be taken into account.

130. Democracy leaves no room for complacency. Anti-democratic practices can be identified in those countries where democratic traditions have most deeply taken root. Chronically low voter turnouts, financing of candidates by special interests and the lack of transparency of certain institutions of government can be cited as specific examples. Similarly, the presence of a permanent underclass is a feature of many of the richest societies. Finally, the persistence of high levels of unemployment and the presence of foreign migrants have led to the revival of xenophobic, ultranationalist and fundamentally anti-democratic movements in some societies with the highest standards of living. These phenomena point towards a need to strengthen political development even in societies where democracy has long been considered secure.

131. Elsewhere, the release of pent-up frustrations resulting from decades of one-party rule has led to a confusion between multi-party elections and lasting democracy. While pluralism and parliaments are essential to the transition to democratic government, the demise of the one-party State does not ensure the ultimate triumph of democracy. The fragmentation of multi-ethnic societies and the difficult beginning of the transition to the market-economy have led to a revival of anti-democratic tendencies which seek to exercise political power.

132. The rise of anti-democratic forces, basing their appeal on popular disappointment with poor economic performance, is not confined to affluent societies or to societies in transition. Many societies throughout the developing world now face the difficult task of coping not only with the transition to democracy, but also with reform of their economies. Raised expectations and difficult economic conditions generated in the early stages of reform also pose a challenge to democratization. In many cases, involvement in civil or international conflicts further complicates the situation. Where resources are scarce and where the bulk of the population cannot satisfy its basic needs, political development is exceedingly difficult to achieve. Political progress is often obstructed by the struggle for economic and social advancement.

133. Sustaining democracy and development within States is closely linked to expanding democracy in relations among States and at all levels of the international system. Democracy in international relations provides the only basis for building mutual support and respect among nations. Without true democracy in international relations, peace will not endure, and a satisfactory pace of development cannot be assured.

134. Democracy within the family of nations is a principle that is integral to the system of international relations envisioned in the Charter of the United Nations. It is a principle that means affording to all States, large and small, the fullest opportunity to consult and to participate. It means the application of democratic principles within the United Nations itself. It means that all organs of the United Nations must be accorded, and play, their full and proper role. It will help maintain an equilibrium among the political, economic and

social activities of the United Nations so that they may be mutually reinforcing.

135. Democracy in international relations also means respect for democratic principles in interactions taking place outside the United Nations. It means bilateral discussions instead of bilateral threats. It means respect for the integrity and the sovereignty of other nations. It means consultation and coordination in addressing problems of mutual concern. It means cooperation for development.

136. Dialogue, discussion and agreement are demanding activities. But they are the essence of democracy, within nations and within the family of nations. Above all, they are the principal means through which the society of States must strive to express its common will and achieve progress.

137. In this new era, when information, knowledge, communication and intellectual interchange are critical to economic and social success, democracy must be seen not only as an ideal, or an event, but also as a process which is essential to achieving tangible progress. Democracy supplies the only long-term and sustainable route to successful development. Democratization within the international system permits voices for development not only to be heard but also to carry political weight. A more democratic world can facilitate cooperative work on an agenda for development.

138. The five dimensions of development outlined here, peace, the economy, the environment, society and democracy, are closely interlinked. These dimensions are not arbitrary, but emerge from a half-century of practical work by the United Nations and others with Governments, organizations and people. Achieving greater coherence, consensus and cooperation for development is considered in the following section.

III. THE UNITED NATIONS IN DEVELOPMENT

A. Recognizing the actors

139. While the individual State is no longer the sole actor in development, each State continues to bear primary responsibility for its own development. Whether expressed as a responsibility of States or as a right of peoples, development requires competent governmental leadership, coherent national policies and strong popular commitment.

140. But few, if any, societies can pursue all aspects of development unaided. Development requires international cooperation and it requires that other actors assist States in their efforts. Bilateral assistance from one State to another amounts to some $62 billion annually. Such assistance is often given in the form of "tied-aid".

141. Each State has its own particular approach to development. Even within a single Government, related development issues are often dealt with by different departments. At present, a Government may be represented within an

international development organization variously by its ministries of agriculture, environment, finance, economics and foreign affairs.

142. In terms of the range of ideas, funds, projects and groups engaged, development has emerged as a truly global endeavour. The actors in development, public and private, national and international, are growing in number and diversity. The sheer multiplicity of actors and agents now threatens to overwhelm development efforts in some societies. The overall endeavour calls for greater coherence. Moreover, the allocation of resources between various dimensions of development remains unbalanced, with the result that many activities, especially in the area of social development, remain underfinanced. Coordination and prioritization are, therefore, critical as each of the various entities involved has its particular objectives, agenda, constituency and mode of operation. There is a need to put in place a system of international cooperation that facilitates the mobilization of domestic resources and external assistance (both technical and financial) for peace, the economy, the environment, society and democracy.

143. The organs of the United Nations have been assigned by the Charter a set of roles in development which call for new levels of coordination. The General Assembly, through Chapters IV, IX and X of the Charter, is given fundamental responsibility for international economic and social cooperation. Throughout its first half-century, the Assembly has emerged as a universal forum for debate and action on development issues affecting all States. The Economic and Social Council, through functions and powers provided by Chapter X of the Charter, possesses a range of responsibilities for studying, initiating and coordinating issues relating to development. The Security Council, through the provisions of Chapter VII, can adversely affect the course of development within States to which sanctions apply, as well as in neighbouring and other States. The Secretariat is the source of substantive support, including technical advice and assistance on development needs in such fields as development planning and policies, statistics, energy, natural resources and public administration. (Annex I to the present report shows estimated expenditure of the United Nations and its funds and programmes.) With responsibilities scattered among various organs, the importance of coordination and coherence is clear. Through the regional commissions, the Secretariat promotes the coordination of intersectoral programmes and technical cooperation for the benefit of Member States.

144. The programmes and funds of the United Nations dispose of $3.6 billion annually for operational activities (see annex II). As their work goes forward, new trends are developing. A trend towards thematic and special purpose funding presents new challenges and opportunities for the United Nations Development Programme (UNDP) to support programmes through which recipient Governments can coherently address all dimensions of sustainable human development. Another trend is the shift in emphasis from development to relief activities. In the work of the World Food Programme (WFP), for example, while all-time record tonnages are being delivered, some three fifths by necessity are going for short-term emergency relief rather than for long-term development. Impelled by violence, social distress or economic need, nearly 20 million refugees and 25 million internally displaced persons, now require assistance. In 1993, some $1.115 billion was expended in this cause by the Office of the United Nations High Commissioner for Refugees (UNHCR).

145. The specialized agencies of the United Nations system have their own statutes, budgets and governing bodies. Together, they provide $6.3 billion in concessional flows and $7.8 billion in non-concessional-related lending as net disbursements. Specialized agencies derive about 40 per cent of their operational funds from United Nations programmes and funds. Member States also provide them with resources for specific projects. New trends are emerging. Over the years, the Bretton Woods institutions (the World Bank and the International Monetary Fund (IMF)) have been regarded as primarily focused on the immediate issues of macroeconomic stability and economic growth, leaving the long-term social aspects of development to other entities within the United Nations system. Changes in the course and character of global development are leading to a reassessment of this dichotomy. Firstly, the distinction between "hard" and "soft" issues has become blurred. Thus, the Bretton Woods institutions are now involved in social development and the design of social safety nets in conjunction with adjustment programmes. IMF is increasingly involved in providing advice and resources in the medium-term context to promote high-quality growth. The World Bank now considers environmental effects in making loans and sets aside funds to finance social dimensions of adjustment. Secondly, with the increasing magnitude of international lending and investment, World Bank lending decisions have become less decisive in their direct impact on development and more important as indicators of creditworthiness for private capital markets. Thirdly, conditionality has reduced the policy latitude of national Governments, thereby increasing the risks of domestic instability. Taken together, these trends indicate a need for greater interaction between the policy advice and country operations of the Bretton Woods institutions, and the approaches and practices of other actors in development.

146. Regional arrangements and organizations are a growing phenomenon in the world and provide development assistance of some $5.5 billion each year. Regionalism is neither incompatible with nor an alternative to internationalism as expressed through the United Nations. Regional cooperation is a necessity for development everywhere. Regional trade associations provide expanded markets for domestic enterprises, and encourage interregional agreements to facilitate trade. Regional assistance can address development across political boundaries and respond to practical needs wherever they arise. Water resources, electrification, transportation, communication and health systems can all benefit from region-wide approaches. Regional coordination can allocate transnational trade-offs and transcend lower level bureaucratic rivalries. But regionalization also carries with it the dangers of protectionism and bureaucratic layering. Careful management is required to ensure that regionalization facilitates the greater coordination that comprehensive development demands.

147. NGOs undertake projects valued at more than $7 billion annually. Long active in the search for peace, NGOs have often been at the scene of conflicts at an early stage, making a crucial contribution to the immediate relief of stricken populations and laying foundations for the reconstruction of war-torn societies. With flexible structures, the ability to mobilize private funds, and highly motivated staffs, NGOs possess a vast potential for the cause of development. Over the past decade, the growth of NGOs in number and influence has been phenomenal. They are creating new global networks and proving to be a vital component of the great international conferences of this decade. The time

has arrived to bring NGO and United Nations activities into an increasingly productive relationship of consultation and cooperation.

148. Private international investment flows have reached $1,000 billion per year, offering immense potential for job creation, technology transfer, training possibilities and trade promotion. The dynamism released by this process can revive stagnant economies and promote integration into the global economic system. Direct foreign investment can have a positive effect on the technological pool available to countries for development. Private enterprise is increasingly recognized as a positive factor in providing solutions to problems previously thought to be the special province of public authorities. In some countries private operators, for example, are providing effective public services such as telecommunications, transport, power, waste recycling and water supply. In many cases, subsidies to state companies could be replaced with targeted subsidies so that some users could be charged the true cost of the services and public money could be redirected to address broader needs.

149. Academic and scientific communities began centuries ago to weave a global fabric of productive scholarship and research. Today, thousands of such centres span the globe in a network of thought, experimentation, creativity and virtually instantaneous intellectual exchange. Their work increasingly ranges across disciplinary as well as political boundaries, rearranging and integrating old categories into new patterns of social utility. The scientific community forms a world-wide network, sharing certain fundamental interests, values and standards. It is a community that has an important part to play in addressing the great problems of development. Centres of science and technology are addressing questions of immediate practical importance to the everyday life of people, even as they bring the longer perspective of accumulated scientific and humanistic achievement to bear on current issues. Science can expand development options, through the development of new, safe, simple and effective methods of family planning, the development of environmentally benign energy sources, the improvement of agricultural techniques, better disease control, and in many other ways. Less recognized but of deep importance is research in the social sciences; the humanities and the arts. These not only enrich human existence, as has long been recognized, but also are casting new light on many of the essential characteristics and needs of life in the human community in all its many forms.

150. Grass-roots organizations, such as religious communities, neighbourhood associations and self-help groups, understand the interrelatedness of economic, social, human and sustainable development. As they address the needs of small communities otherwise often overlooked, the learning process in development flows not only to but from their direction. Grass-roots and community associations suffer from a low level of funding and are often in need of technical assistance. Although funds should primarily be raised locally, the United Nations is able to support activities at the micro-level by assisting grass-roots organizations.

151. The sheer number of actors in development today, the global trends that their activities reflect and the interrelationship of problems and the mechanisms for their solution all highlight the urgent need for greater awareness and more determined commitment.

B. Information, awareness and consensus

152. Addressing the global development challenge requires building a common awareness of the many dimensions of development, and a better appreciation of the importance of the various actors in development. Raising levels of awareness and creating a global consensus, help to create what can best be called a "culture of development". Defining a culture of development implies more than universal access to shared information networks. A culture of development, as has been noted, implies that all actions are considered in their relation to development. Based on this universal culture of development, which is rapidly evolving in the closing years of the twentieth century, the United Nations becomes an increasingly effective forum for establishing universal standards of conduct.

153. The United Nations, universal in its membership and comprehensive in its mandate, has the responsibility and the ability to draw global attention to issues of broad importance. The United Nations can help alert, inform and maintain international attention on problems not susceptible to quick or easy solutions. In the last few years, the United Nations has been indispensable in drawing attention to the need for environmental action, in addressing the impact of demographic change, in the cause of human rights and in bringing an international focus on development in all its aspects.

154. A sound informational foundation is vital in formulating all aspects of economic policy. Governmental and private-sector planning and decision-making can only be effective if the information relied upon is accurate and up to date. The public's participation in economic, social and political activities cannot be meaningful unless it is also well-informed.

155. Without an adequate informational base, countries operate at a disadvantage in bilateral and multilateral negotiations. National access to information on international economic, demographic, social and environmental conditions is essential not only to informed decision-making, but also to competitive and effective participation in international markets.

156. As an active collector of data and statistics, the United Nations system is an important yet sometimes under-utilized informational asset for Member States. The United Nations system has been at the forefront of efforts to provide technical cooperation on establishing and upgrading information and communications infrastructures. These efforts are widely valued, but require the increasingly active support of Member States.

157. The Organization shapes common and comparable approaches to organizing and structuring data, promotes unified standards for technical communication, improves data collection methods, facilitates the mutually beneficial exchanges of international data and information, helps analyse and evaluate data and provides training and assistance in the use of information.

158. The United Nations system has been a pioneer in mounting international cooperation for the collection, analysis and use of data for population planning, health care, governance and public administration, job creation, wage and income questions and social welfare needs; all designed to enable peoples

and Governments to make more informed decisions. The United Nations is seeking to quantify human progress in a new way, providing a statistical picture of human development that goes beyond measuring per capita gross national product. The UNDP Human Development Report has initiated a rethinking of the parameters by which development is measured.

159. Reliable statistics monitoring a nation's economic activity and tracking economic, social and environmental change are essential to informed decision-making and a necessary foundation for successful national development. A new System of National Accounts, providing a framework within which countries can gain a fresh perception of their economic statistics, and enhancing their use of such data, was pioneered by the United Nations in cooperation with IMF, the World Bank, the Organisation for Economic Cooperation and Development and the Commission of the European Union.

160. New ways of collecting and disseminating environmental statistics and indicators are being tested in a number of countries through a variety of United Nations technical cooperation programmes. This undertaking is particularly important as the gap in availability, quality, coherence and accessibility of data among countries has been increasing. Information deficits continue to impair the capacity of many economies to make informed decisions concerning the environment and development.

161. Collection and analysis of information is a prerequisite not only for informed discussion, but also for formulating acceptable and workable solutions. Reliable, standardized information provides the common language in which all can participate in the culture of development. If information is not reliable, available and presented in a usable form, consensus will be elusive and successful action highly unlikely.

162. In recent years, global international conferences have provided Member States and others with opportunities to think together about the major choices facing the world in the process of development, thus promoting a consensual culture of development. Such global gatherings focus on strategic issues at the highest level, enabling Member States to bring their national policies into line with values and principles endorsed by the international community as a whole. They give political direction and a new momentum to international efforts, while providing inspiration and encouragement to States, to organizations and to people.

163. UNCED brought an unprecedented commitment by world leaders to a shared set of objectives for the future: Agenda 21, 1/ the first international agreement expressing a global consensus and a political commitment at the highest levels to action on environment and economic progress, encompassed in a programme of sustainable development. Since UNCED, environmental concerns have been firmly placed in the mainstream of the culture of development. The Global Conference on the Sustainable Development of Small Island Developing States, held in Barbados from 25 April to 6 May 1994, further defined the responsibilities of small island States, and of the international community, in the pursuit of sustainable development.

164. The World Conference on Human Rights was held at Vienna from 14 to 25 June 1993. In the Vienna Declaration and Programme of Action, 2/ the Conference reaffirmed "the right to development, as established in the Declaration on the Right to Development, as a universal and inalienable right and an integral part of fundamental human rights". From the proclamation of the Universal Declaration of Human Rights in 1948 to its decision to create a United Nations High Commissioner for Human Rights, the General Assembly has underscored its expectation of conformity with agreed international principles of human rights.

165. In September 1994, the International Conference on Population and Development, to be held at Cairo, will address the impact of demographic factors on development and take up the challenge of creating a truly people-centred development.

166. The World Summit for Social Development, to be held in 1995, the fiftieth anniversary of the United Nations, could be a synthesizing event of world significance. It is increasingly evident that a just society cannot accept high levels of unemployment. A stable society cannot permit entire groups to be excluded from the fruits of development. A secure society cannot exist without social safety nets for its most disadvantaged members. A determined global effort is needed to raise awareness and political commitment to effective action, both national and international. The World Summit will provide an indispensable opportunity to draw past achievements together as a coherent whole and to set forth the new areas for concerted effort. It should elevate the social development agenda to an equal level with economic growth by strengthening the national and international institutional structures dealing with social issues, facilitating coordination of their operations with those in economic areas, and providing adequate supportive finance and other assistance.

167. The process will continue in 1995 at Beijing with the fourth in the series of world conferences on women. The United Nations, largely through the efforts of the Commission on the Status of Women, which was established in 1946, has helped to develop the legal basis for the promotion of equal rights for women and has been in the forefront of policy development, political commitment and institutional development. A further milestone was the adoption, in 1979, of the Convention on the Elimination of All Forms of Discrimination against Women. The Convention now has 132 States Parties who report regularly on the implementation of its provisions. The Convention on the Rights of the Child and the Vienna Declaration of the World Conference on Human Rights have also spelled out institutional standards for women's rights. The vision for the next century should build on these achievements and fully reflect a gender perspective.

168. In 1996, the Habitat II conference on human settlements, the "City Summit" will discuss a programme of action designed to make urban areas, where the majority of the world's population will live, safe, humane, healthy and affordable.

169. In addition to Member States, international efforts to strengthen the global culture of development must also encompass the broader international community. The contribution of non-State actors to the culture of development was clearly demonstrated during UNCED and the World Conference on Human Rights.

NGOs and concerned individuals claimed their rightful share in creating a culture of development.

170. Within countries, elements of the civil society, including political parties, trade unions, parliamentarians and NGOs, have become increasingly important in creating and obtaining public support for development efforts on the one hand, and tangible development assistance on the other. Non-official groupings and movements now make up networks that help shape the direction of development policy and deliver practical results. To be successful, political consensus-building must embrace all.

171. By taking the initiative, highlighting issues of special concern and advancing realistic solutions, actors at all levels can help to shape the outcome of international efforts on the full range of global human concerns. Little of lasting value is possible until people and Governments share a political vision for progress, and have the political will to achieve it.

C. Norms, standards and treaties

172. Positive international action can only be achieved through cooperation. International law provides both the vehicle and the framework for turning ideas and intentions into action. In codifying the rights, duties, obligations and principles of international actors, international law not only provides the actual foundation upon which cooperation is built, but it likewise defines the terms of that cooperation, and also its limitations.

173. Forging multilateral agreement is the essence of international law, whether embodied in the form of non-binding norms, internationally recognized standards or binding obligations. By raising the political profile and public visibility of issues, multilateral agreements can galvanize interest and become a focal point for action. By creating a common framework for addressing problems, multilateral agreements can enhance coordination and promote coherence. By establishing common parameters and basic rules, multilateral agreements can facilitate international interaction and exchange. By establishing a common legal and political framework for action, multilateral agreements can provide a firm basis from which to assess and monitor international efforts. As practical mechanisms for forging consensus and pursuing solutions, multilateral agreements are the key to achieving meaningful international action in support of development.

174. The General Assembly has made numerous important contributions towards the establishment of an international framework for development cooperation. Assembly resolution 47/181 on an agenda for development refers in this context to the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, the International Development Strategy for the Fourth United Nations Development Decade, the Cartagena Commitment, the United Nations New Agenda for the Development of Africa in the 1990s, the Programme of Action for the Least Developed Countries for the 1990s, and the various consensus agreements and conventions, especially Agenda 21, adopted at UNCED.

175. Galvanizing interest and becoming a focal point for action is both the aim and the impact of many multilateral agreements. The process of consensus-building and codification raises the political profile of important issues as States and constituencies seek to advance or defend their particular interests, perspectives and agendas through the proposed agreement. International debate and discussion frequently boost the public visibility of the issues at stake, often generating new public awareness, interest and involvement.

176. The treaties, conventions and standards adopted in connection with UNCED exemplify the broad impact that the process of international consensus-building and codification can have. Years of study and preparation, the catalytic effect of a world gathering at the highest level and the drive to codify specific actions and commitments, brought universal attention to the urgent need to halt further deterioration of our environment, and to the overriding importance of pursuing development that is environmentally sound and sustainable. By putting environmental concerns on the agenda of States worldwide, and by doing so in a manner that compelled States to contemplate provisions and proposals, the process produced useful and much needed action, expanded public awareness of environmental issues worldwide and led throughout the world to valuable public policy appraisals on many of the topics of most concern.

177. In addition to galvanizing interest and opinion, multilateral agreements can also serve as a focal point for action. The United Nations Convention on the Law of the Sea, 3/ for example, now provides a mechanism for addressing development questions related to all aspects of the use of the sea and its resources. As new technologies and the hunger for new resources increase the capacity of nations to exploit the ocean's resources, the Convention provides a universal legal framework for rationally managing marine resources and an agreed set of principles to guide consideration of the numerous issues and challenges that will continue to arise. From navigation and overflights to resource exploration and exploitation, conservation and pollution and fishing and shipping, the Convention provides a focal point for international deliberation and for action.

178. In the context of international cooperation within the framework of multilateral conventions and understandings, international humanitarian efforts have included action such as the establishment of "emergency relief corridors", the growing use of United Nations peace-keepers for humanitarian missions, preventing the slaughter of innocent civilians, investigating alleged violations of international law and facilitating national reconciliation. By working through the operation of international humanitarian norms, conventions and standards to strengthen the practical foundations of international cooperation, the international community has revealed the great potential of multilateral arrangements to serve both as a catalyst for action and as mechanism for achieving results.

179. Also integral to the role of international law in contributing to development is its capacity to enhance coordination in the execution of policies and promote coherence in their formulation and design. Directly and indirectly, multilateral norms, standards and treaties help to advance these objectives in concrete and meaningful ways.

180. Where individual action is insufficient to achieve satisfactory results, or where cooperation with others could markedly improve the effectiveness of such actions, coordination is clearly desirable. In regulating international air transportation, for example, individual action would be ineffective. Preventing further deterioration of the ozone layer, similarly, can only be achieved if individual efforts and actions are coordinated. Multilateral agreements designed to address these issues necessarily serve as essential mechanisms for achieving coordination.

181. Promoting coherence and compatibility in international policy-making is a closely related objective, and one that is equally essential. To the extent that multilateral agreements foreclose certain policy options and promote others, narrowing through compromise and consensus-building the scope for disparate policy strategies, such agreements promote coherence and compatibility in international policy-making. Rewarding certain practices and punishing others, prohibiting certain actions and encouraging others, enshrining certain principles and rejecting others, these are the mechanisms through which norms, standards and treaties operate and through which greater policy coherence and compatibility is established.

182. By promoting biodiversity, for example, multilateral environmental agreements necessarily advance some national development options and policies while limiting or eliminating others. By establishing particular pollution emission standards, multilateral agreements necessarily advance a class of policies designed to restrict certain types or levels of activity, and preclude development or industrial strategies that would be incompatible with such standards. The result in both cases is greater international coherence and consistency in policy-making.

183. In a world where people increasingly interact beyond the confines of national boundaries, it is especially desirable that there be processes and a set of rules for governing private legal relationships of an international nature. Establishing common procedures and agreeing on rules for resolving conflicts of law is not only useful in facilitating commerce, but it also contributes greatly to the building of peaceful and stable international relations. Together, these efforts at cooperation facilitate interaction and development and help to bring practical coherence to the multiplicity of regulations generated by national systems of law.

184. Specific international conventions now operate with respect to an increasingly wide range of private international interactions. In the legal sphere, international conventions now cover issues such as the service of process, evidence taking, the enforcement of judgements and international conflicts of law. In the field of family law, important international agreements have been negotiated. In the commercial sphere, international conventions facilitate and expedite a wide range of activities from financial transactions to international rules for the sale of goods.

185. The vital importance of common action is particularly evident in international efforts to establish broad rules and principles to govern interactions between nations. Multilateral agreements provide for overseeing implementation of international labour standards, governing the management of

air routes, regulating the use of international telecommunications frequencies, facilitating the international exchange of mail, monitoring world weather patterns and promoting international interaction in a wide range of other important areas.

186. Multilateral agreements also embody and reflect existing efforts to fashion globally acceptable rules of trade. The United Nations, through the United Nations Conference on Trade and Development (UNCTAD), has helped developing countries to obtain preferential treatment for their exports through the establishment of the Generalized System of Preferences, and has promoted the adoption of international commodity agreements and agreed principles for the control of restrictive business practices. The General Agreement on tariffs and Trade (GATT) and the recently completed Uruguay Round of multilateral trade negotiations, illustrate the impact that multilateral cooperation can have in facilitating commerce and promoting development. It is estimated that global trade will increase by as much as $50 billion as a result of the agreement reached during the Uruguay Round. Throughout the international community, the positive impact of this stimulus to employment, production and trade will be significant.

187. The Uruguay Round is a vivid example of the positive impact that multilateral agreements can have on development, through facilitating, expediting and encouraging international trade and commerce. Among the many other significant examples are the United Nations Convention on Transit Trade of Land-locked States, the United Nations Convention on the Carriage of Goods by Sea, and the United Nations Convention on Contracts for the International Sale of Goods.

188. Providing a basis from which to assess and monitor international efforts, whether in support of development or in other fields, is also an essential part of the importance of pursuing multilateral agreements. As a result of international agreements, the International Labour Organization (ILO) is able to monitor labour practices worldwide. The United Nations Framework Convention on Climate Change 4/ provides for international review of national policies affecting climate change and for international monitoring of greenhouse emissions. In these instances, and in many others, multilateral agreements lay the foundation and provide the basis for information gathering, for compliance monitoring and for enforcement processes.

189. In the field of human rights, in particular, the importance of multilateral agreements in establishing both a basis and a right for monitoring and assessing the conduct of States is particularly evident. Not only do such agreements provide a standard against which conduct can be measured, but they also provide an agreed international basis for involvement in monitoring compliance. Multilateral agreements thus enable the international community to act upon the principle that humanity dignity is a concern that transcends national boundaries and national distinctions.

190. Indeed, the notion that individual human rights can be protected by the international community is one of the great practical and intellectual achievements of international law. Through the mechanisms and procedures of international law, international norms, standards, covenants and treaties now

provide a standard of accountability and a legal basis for international action in support of human rights and humanitarian causes.

191. Agreeing on practical measures to implement a common approach to problems is the essence of what the multilateral agreements seek to achieve. By providing a framework for international cooperation, international law makes an important and very tangible contribution to virtually all aspects of global development. Through the coordination of disparate policies and efforts, the promotion of goals and targets, the establishment of norms and standards and the negotiation of treaties and conventions, international law provides both a vehicle for cooperation and a mechanism for action.

192. As the leading proponent of international law, and as the most important forum of international cooperation, the United Nations has a central role to play in enhancing the scope and effectiveness of multilateral cooperation, particularly as that cooperation is projected into international norms, standards and precepts. In this role, the United Nations has a special responsibility to promote and support the effective participation of all countries concerned in the negotiation, implementation, review and governance of international agreements or instruments.

D. Operations, commitment and change

193. The United Nations provides a forum for political consensus-building, a vehicle for international cooperation and a source of policy analysis and information. But for millions of people throughout the world, the United Nations is also an important operational organization, working to achieve practical outcomes.

194. In the developing world, and in countries in transition or in distress, the United Nations works to bring the benefits of development directly to people. These activities in the field take many forms. Working through its programmes and funds, as well as the Secretariat, the Organization helps to design development initiatives, supports development schemes and projects, provides technical training and capacity-building and assists Governments in the formulation of their overall development strategies.

195. Because Member States have primary responsibility for their own development, United Nations development activities are carried out in close collaboration with Governments and local communities. Local infrastructures are an important part of those efforts. Many activities are also conducted through NGOs and other non-State institutions. Other efforts are carried out by the Organization directly.

196. Through its efforts in the field, the United Nations plays a much needed and often unique role. In particular, the Organization's field activities help to translate international decisions into local action and strategies, to support useful non-commercial development initiatives, to advance development efforts in sensitive sectors and to pioneer new areas and new types of development assistance.

197. The enormous challenges that confront humanity require international cooperation. But agreement is only the starting-point for action. The United Nations field programmes provide a vital bridge between the formulation of broad international agreements and the ability of countries to translate those agreements into national action. Its global experience and perspective make the Organization a vital source of practical support, as Member States address the broad common issues that confront modern society. Without such assistance, many Member States would lack the familiarity with issues or the immediate capacity for action that can be required for progress. In the aftermath of UNCED, the United Nations, when asked, has helped Member States to identify necessary action, draft rules and policies and establish mechanisms to monitor and enforce environmental objectives.

198. In many sectors that are vital to development prospects, only the United Nations can demonstrate both the impartiality and the expertise necessary to achieve results. Development policies affecting public administration, governance and democratization are critical examples. Governments and societies that recognize the need for change may hesitate to contemplate outside assistance, for fear that that assistance may eventually open the way to outside pressure or control. In many vital sectors of development, the United Nations can draw on a long record of sensitivity and the impartiality and experience to both serve and assist national development efforts. It is a service for which many Member States will continue to rely upon the United Nations, and one that the Organization must continue to be able to provide.

199. United Nations field activities have also played a valuable role in pioneering new types and areas of development assistance. From a post-war emphasis on the provision of long-term foreign experts and consultants, resources are increasingly being directed to strengthening national capacity and expertise. Having demonstrated the need for many of its earlier areas of focus, and generated new sources of support, the United Nations must continuously evaluate whether particular areas of endeavour continue to warrant its full-scale involvement.

200. For the Organization itself, and for the international community as a whole, the field activities of the United Nations and the Organization's active development presence worldwide also have a broader significance. The United Nations standing and moral authority in international affairs generally, and its ability as an institution to grasp and apply itself to the human challenges of development, are closely linked to the Organization's presence and efforts in the field.

201. Through its fundamental commitment to working for human betterment, the United Nations most firmly and securely establishes its credentials and its credibility as an instrument for world peace. Worldwide, the United Nations flag stands as a symbol of its commitment not only to peace, but also to progress. The Organization's overall efforts are immeasurably strengthened by the visibility of its commitment to and activities on behalf of development. This moral commitment continues to define the work of the United Nations in the eyes of those who most look to and depend upon the Organization for support. This moral authority cannot be built upon abstractions, but only upon real service to people.

202. Throughout the Organization, and in all of its activities, the experience of staff who are working in the field to advance development adds an invaluable source of balance, perspective and understanding. The present agenda itself owes much to that broad store of practical human experience.

203. Through its field offices, theories are tested by concrete experience. Problems are considered in a more practical context. Through its presence in the field, the Organization not only learns about people but also learns directly from the people it serves.

204. It is clear, however, that the United Nations operations for development cannot engage or hope to solve every problem of development around the world. Practical activities must be designed to achieve cumulative results and to affect those particular problems for which even partial solutions will enhance the prospects for durable progress. In short, the underlying concept of operations for development is to go beyond the relief of distress to create enduring foundations for progress.

205. Assessing the precise impact of particular strategies is rarely possible in the short term. For the United Nations, however, development is a long-term commitment. The impact of efforts on the ground has helped to achieve significant progress. Emphasis on health services in the field helped, for example, to ensure the eradication of smallpox, the widespread immunization of children, and a dramatic cut in child death rates worldwide. Recognition of the importance of a common cultural heritage helped inspire efforts to preserve sites such as Abu Simbel, the Acropolis and Angkor Wat. Revelation of the deteriorating condition of the planet has resulted in changed thinking and in concrete efforts worldwide to reverse or repair the damage.

206. National capacity-building has been a key component of progress. In many cases, United Nations development efforts in the field have markedly increased the capacity of States to initiate and to sustain their development efforts. Equally vital, the Organization's presence has sometimes prevented the unravelling of development efforts, bridging critical gaps and compensating for deteriorating infrastructures.

207. While hard to measure, a half century of technical cooperation and training has left an important legacy of increasing local expertise. This contribution is of vital importance. Unless people have the capacity to carry forward their own development, progress will remain uneven, and development will not be secure.

208. By establishing an environment, a framework and often an umbrella for development activities, the United Nations not only contributes directly to development, but it also facilitates the development activities of many other actors. The presence established by the Organization can help to create a climate more receptive to development cooperation, and more encouraging for other actors. In times of tension and instability, in particular, the international presence that the United Nations symbolizes can be vital in maintaining the momentum and the capacity to pursue development.

209. More generally, the priorities identified by the United Nations have often provided a basis for other actors to become involved and to participate. Agreements negotiated by the Organization have often provided a context within which other actors could also be involved. For the Organization itself, and for the international community in general, the United Nations presence in the field is a vital asset in the service of development.

E. Priority setting and coordination

210. The concept of development, as it emerges from the present report, involves several interrelated dimensions and a multiplicity of actors. The setting of priorities and coordination are imperative.

211. Each dimension of development is vital to the success of all others, as well as to the core concept of human-centred progress. Successful development cannot be achieved by pursuing any one dimension in isolation, nor can any one dimension be excluded from the development process. Without peace, human energies cannot be productively employed over time. Without economic growth, there will be a lack of resources to apply to any problem. Without a healthy environment, productivity will devour the basis of human progress. Without societal justice, inequalities will consume the best efforts at positive change. Without political participation in freedom, people will have no voice in shaping their individual and common destiny.

212. Limited resources and domestic and foreign constraints mean that choices must be made and priorities must be set. There are times when efforts to achieve some aspects of development are postponed. In some countries, for example, the short-term effects of economic reform may threaten political stability.

213. The coordination of activities and assistance is essential to achieve the maximum impact from development resources, and the true benefits of prioritizing efforts. Coordination means a clear allocation of responsibilities, an effective division of labour among the many actors involved in development, and a commitment by each of those actors to work towards common and compatible goals and objectives. Individual development actors must strive to make their efforts complementary and contributory, rather than isolated or competing. Coordination, so viewed, must guide the actions of each of these actors and the interactions among them.

214. The agenda on which all national, regional and global participants must cooperate includes international peace and security, economic progress, the environment, social justice, democracy and good governance. All must be part of a single endeavour. In the past, the international community has achieved success through prioritizing its resources and coordinating its efforts; in eradicating disease, in fighting famine, in working to protect the environment and in seeking to limit the proliferation of weapons of mass destruction. The prioritization of development efforts and the coordination of development actors is required at all levels of activity. World-wide issues, such as the struggle against the human immunodeficiency virus (HIV) and acquired immunodeficiency syndrome (AIDS) require coordination among States, international and regional

organizations, NGOs and agencies. In other cases, coordination must focus on a specific region or segment of society. Donors need to coordinate among themselves; recipients need to coordinate within their national systems.

215. Because development must be understood as a multifaceted, open-ended undertaking, and because development efforts must respond to particular national needs, priorities and circumstances, no single theory or set of priorities can be applied to the development efforts of all countries at any one time. But because development requires a perpetual balancing of priorities and emphasis and the continual reassessment of needs and policies, the role and importance of good government in promoting development cannot be overestimated. Because development must be an international endeavour, governance is an issue whose importance and impact may extend beyond particular national borders.

216. Governments must decide when to support difficult policies, and when to resist powerful pressures, both foreign and domestic. Good government implies the wisdom and the historical responsibility to know when to let market forces act, when to let civil society take the lead, and when government should intervene directly.

217. National development strategies must strive to ensure that development programmes and projects are consistent and coherent. In view of the large number of actors and agendas involved, within countries as well as internationally, fragmentation and inconsistency are frequent problems. Domestically, the challenge is to frame a coherent and comprehensive vision of development. Internationally, the challenge is to marshal efforts and resources most effectively in support of national development objectives.

218. As each society considers its development choices, the international community must act wisely. Persuasion, not pressure, is likely to produce the most determined effort and the most lasting results. As national Governments are primarily responsible for development, the recognition of the complexity of their task is the first responsibility of supportive international development actors.

219. Successful coordination can only be achieved if there is a will to work together. Mechanisms and structures can be developed to address areas of duplication, overlap and inconsistency. But better mechanisms and structures cannot compel or ensure cooperation, nor can they substitute for political will. Unless donors are prepared to cooperate rather than compete, unless agencies are willing to work as partners rather than rivals and unless organizations have the courage to measure the success of their efforts by the progress that they achieve, duplication, overlap and inconsistency will continue to hamper development efforts.

220. Development priorities or models cannot be imposed by the international community upon particular peoples. This is one of the lessons we must take from past efforts. But the international community can and must determine how best to maximize international development resources and achieve greater consistency and coordination among international development actors.

221. The country strategy note offers an important new vehicle for strengthened coordination. Through this approach, countries can work with the United Nations to design development projects and prioritize the use of development funds. The wide application of this technique to development assistance could have a significant impact. At present, and in the absence of a fully comprehensive approach covering all external aspects of development cooperation, the prioritization and coordination of international development efforts, both intergovernmental and non-governmental, remains an urgent need.

222. The resident coordinator system provides a valuable mechanism for better integrating development assistance into the overall country programme framework. Tapping into the capacity of the United Nations system as a whole, the resident coordinator aims to ensure that the extensive operational capacities of the Organization are totally supportive of national objectives and fully utilized to build national capacity. The resident coordinator can help to ensure that economic and social research and policy analysis, operational activities, humanitarian assistance and the promotion of human rights, support and reinforce each other at the national level. The resident coordinator system must continue to be strengthened.

223. The United Nations, as an organization that is both universal in its membership and comprehensive in its mandate, has an especially important role to play both in facilitating the establishment of international development priorities and in promoting coordination and cooperation among the many development actors. In raising awareness, supplying information and providing a forum for consensus building, in working to further cooperation through the establishment of norms, standards and treaties, and, especially, as an actor on the ground and in the field, the United Nations contributes to development efforts.

224. While prioritization and coordination are necessary considerations for all organizations and institutions, these requirements are especially vital to the effective working of an organization that is as diverse in its composition and as broad in its mandate as is the United Nations.

225. The Charter of the United Nations itself recognizes the special importance of coordination within the United Nations system, assigning to the Economic and Social Council, operating under the authority of the General Assembly, the important and difficult task of coordinating the policies and activities of the United Nations and its numerous specialized agencies. The Council provides a ready and potentially powerful vehicle for helping to prioritize the allocation of international resources for development. Coordination must not only encompass Governments and intergovernmental institutions, but it must also take into account the actions of the many important non-governmental actors in development.

226. A number of United Nations bodies already benefit from the participation of representatives of business, labour and consumer and other communities. New ways are needed to involve such actors in deliberations at all levels of the development effort.

227. Over the years, the absence of clear policy guidance from the General Assembly, and the lack of effective policy coordination and control by the Economic and Social Council has resulted in an overall lack of cohesion and focus within the system. At all levels, among the central organs, the programmes and the regional commissions, there has been a steady proliferation of subsidiary bodies and an increasing lack of policy coherence. The revitalized Council could make a significant contribution to establishing greater policy coherence and coordination within the United Nations system as a whole.

228. The United Nations system constitutes an unparalleled body of knowledge and expertise at the disposal of developing countries. Bringing the strength of the system together at country level requires a new commitment to coordination, impelled by unity of purpose. Through UNDP, its central funding mechanism, the United Nations has a unique global network of country offices which provide an infrastructure for the Organization's operational activities worldwide and enable it to respond flexibly and rapidly to changing national priorities.

229. The Bretton Woods institutions, as specialized agencies, are an integral part of the United Nations system. They are important sources of development finance and policy advice. They are increasingly active in technical assistance, which has the potential of creating overlap with the central funding role of UNDP, and in areas where competence exists in other specialized agencies. Special attention needs to be given to considering how these institutions and other organizations of the system could collaborate more closely on the basis of their respective areas of comparative strength. More systematic use of capital assistance from the Bretton Woods institutions in a coordinated, complementary and mutually reinforcing manner with technical assistance funding provided through UNDP and the specialized agencies is warranted in operational activities.

230. The capacity of the United Nations to reflect in its own policies and activities the interrelationships outlined in the present report will, to a large extent, depend upon the effectiveness of its coordination mechanisms and structures. But the United Nations cannot make decisions for its Member States. The present agenda's purpose is to offer guidelines for thought and action by each Member State.

IV. CONCLUSION: THE PROMISE OF DEVELOPMENT

231. A culture of development, in which every major dimension of life is considered as an aspect of development, is emerging as a result of immense and agonizing effort. The possibilities for common understanding and cooperative, coordinated action are available as never before.

232. In the past few years near-universal recognition has been achieved of the need for fresh consideration of ways in which the goals of peace, freedom, justice and progress may be pursued in a dramatically transformed global context. A culture of development can encompass these goals in a single, comprehensive vision and framework for action. At the basis of this culture,

there is the fundamental commitment of the Charter to "the dignity and worth of the human person". The institution of the United Nations is irreplaceable.

233. Development has to be oriented towards each person in the world. Beyond this must arise a recognition that this human community includes the generations yet to come. The record of this century has demonstrated the disastrous consequences when the living are asked to suffer on behalf of a utopian future, or when the present generation is heedless of the welfare of those yet to be born. If one extreme characterized earlier decades of this century, the other has more recently obstructed our vision.

234. Signs of a global era of development can be observed. They offer a paradox. The agricultural and industrial revolutions are now being succeeded by an age of information, communication and advanced technology. This presents the potential for freeing humanity from limits of time, place and resources that in the past were regarded as given. At the same time, however, these changes are accompanied by old forces that test the human condition in new ways; natural and human disasters, demography, disease, political confrontation, cultural and religious animosity, unemployment and ecological decay. These scourges are as old as humanity itself, but they have taken on freshly virulent forms and combinations.

235. From an understanding of development as limited to transferring funds and expertise from the haves to the have-nots, the perspective has shifted towards a broader concept encompassing the full range of human endeavour. The welfare of future generations must not be compromised by incurring debts that cannot be repaid, whether financial, social, demographic or environmental. Equally important is the recognition of the responsibility of the earth's present inhabitants to make the best use of the hard-won ideas, ideals and institutions handed down to us by our predecessors. Progress is not inherent in the human condition; retrogression is not inconceivable.

236. If the human community is to continue to advance, it is necessary to build respectfully upon what we have been given, to recognize that current achievements must be accessible to all, and to ensure that the work we leave behind stands not as a structure in need of repair but as a platform for future progress. This must be more than a matter for rhetoric. With this in mind, annexed to the present report is an inventory of United Nations work for development (see annexes I and II).

237. Whether this vision is fulfilled or not will be measured by what this living generation of the world's peoples and their leaders make or fail to make of the United Nations. Created at a unique moment of unanimity, dedicated to purposes even more expansive than its founders understood, embodying the best and most comprehensive purpose of the world's peoples, and provided with the mechanisms required to bring practical results, the Organization stands at the meeting point of past, present and future.

238. The intricate nature of the present world crisis must be grasped in its entirety before effective action to resolve it will be possible. The concepts of collective security, fundamental human rights, international law and social progress for all are being corroded by ethnocentrism, isolationism, cultural

animosity and economic and social debilitation. Even the concept of the State as the foundation-stone of international cooperation is being damaged by those who define it in exclusionary terms and others who question its contemporary relevance and efficacy.

239. These concerns are felt in a context of unprecedented global change. Ecological, technological, demographical and social movements seem beyond the capacity of traditional forms of international management. Faced with such a challenge, some even suggest that the modern project of international cooperation be abandoned for a return to power politics, spheres of influence and other discredited and dangerous techniques of the past.

240. This must not be allowed to happen. The United Nations, as a key mechanism for international cooperation by Member States, possesses flexibility, legitimacy and a universal range of action. If employed prudently, efficiently and confidently, the United Nations is the best available instrument for managing the world situation with a reasonable expectation of success.

241. At present this mechanism is caught in a confining cycle. There is a resistance to multilateralism from those who fear a loss of national control. There is a reluctance to provide financial means to achieve agreed ends from those who lack conviction that assessments will benefit their own interests. And there is an unwillingness to engage in difficult operations by those who seek guarantees of perfect clarity and limited duration.

242. Without a new and compelling collective vision, the international community will be unable to break out of this cycle. The present report is, therefore, intended as a first contribution to the search for a revitalized vision of development.

243. In the present report, I have described both the nature and scope of development efforts. I have set out both the dimensions of the development process and the actors involved in it, in the hope that a new vision and culture of development will emerge. Such a vision must, however, be firmly anchored in agreed objectives and commitments on development adopted by the international community, and on a record of demonstrated results, if it is to command sustained support. The United Nations can offer such a record. In addition, the United Nations can bring to bear not only the unparalleled broadness of its scope, but its unique potential to integrate the many actors and dimensions of development.

244. If this promise is to be fulfilled, all organs and entities must perform fully the roles assigned to them by the Charter; roles clearly described but which have yet to be performed entirely as intended.

245. Inspired by the purposes and fundamental principles of the Charter, and mindful of the commitments and objectives adopted by the General Assembly, the international community can now proceed to outline a new vision of development. With the practical commitment of all peoples to the advancement of a new culture of development, the coming celebration of the United Nations first half-century will be marked as a turning-point in the story of all humanity.

Notes

1/ Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992 (A/CONF.151/26/Rev.1 (Vol. I and Vol. I/Corr.1, Vol. II and Vol. III and Vol. III/Corr.1)) (United Nations publication, Sales No. E.93.I.8 and corrigenda), vol. I: Resolutions adopted by the Conference, resolution 1, annex II.

2/ A/CONF.157/24 (Part I), chap. III.

3/ Official Records of the Third United Nations Conference on the Law of the Sea, vol. XVII (United Nations publication, Sales No. E.84.V.3), document A/CONF.62/122.

4/ A/AC.237/18 (Part II)/Add.1 and Corr.1, annex I.

ANNEX I

Estimated expenditures of the United Nations by organization and by sector, 1992-1993, all sources of funds a/

(Millions of United States dollars)

Sector	United Nations b/	UNICEF	UNDP c/	UNFPA	UNRWA c/	WFP
General development issues	693.0	48	658.1			
General statistics	161.5	11	11.1			
Natural resources	119.6		174.5			242
Energy	62.3		48.0			
Agriculture, forestry and fisheries	34.7		294.5			342
Industry	49.9		147.7			
Transport	47.1		135.1			39
Communications	152.1	7	21.2			
Trade and development	459.9		58.2			
Population	70.9	8	1.7	323.4		
Human settlements	106.3	4	101.1			28
Health		1 106	141.5			209
Education		251	73.0			296
Employment			42.3			
Humanitarian assistance and disaster management	2 518.6	248	84.4		601.3	1 850
Social development	358.8	124	88.5	10.0		
Culture			6.7			
Science and technology	35.3		81.4			
Environment	370.8	3	55.5			
Total	5 240.8	1 810	2 231.5	333.4	601.3	3 006

Source: Report of the Administrative Committee on Coordination (E/1993/84).

(Footnotes on following page)

(Footnotes to table)

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a/ Activities funded by reporting organizations and executed by other reporting organizations are included in the figures for the executing organizations, to avoid double counting.

b/ Figures cover resources of the United Nations other than those made available outside its regular budget for peace-keeping operations (see below). The figures thus include data for, inter alia, the United Nations Conference on Trade and Development, the United Nations Environment Programme, the United Nations Institute for Training and Research, the United Nations University, the regional commissions, the United Nations Centre for Human Settlements (Habitat), the Office of the United Nations High Commissioner for Refugees and the United Nations Drug Control Programme. The total resources of the International Trade Centre, whose regular budget is financed to the extent of 50 per cent by the General Agreement on Tariffs and Trade (GATT), are also included.

The estimated cost of peace-keeping operations carried out under the United Nations regular budget is included in the table. For peace-keeping operations outside the United Nations regular budget, only annual estimates are available, given the nature of these operations. The estimated cost of such operations in 1992, which is not included in the table, was $1,700 million. This figure includes estimates based on the pro-rating of amounts approved for the latest mandate period in those cases where the mandate expired before 31 December 1992. Also included is the estimated cost in 1992 of the United Nations Peace-Keeping Force in Cyprus (UNFICYP), financed entirely through voluntary contributions.

c/ The United Nations Development Programme (UNDP) and the United Nations Population Fund (UNFPA) as funding organizations, provide resources for development. Expenditures are effected through other organizations, directly by UNDP or UNFPA, or through other agents.

ANNEX II

Expenditure on operational activities of the United Nations and its funds and programmes, 1992

(Millions of United States dollars)

1.	Financed by the United Nations Development Programme (UNDP) a/	1 026.8
2.	Financed by UNDP-administered funds	137.6
3.	Financed by the United Nations Population Fund (UNFPA)	128.2
4.	Financed by the United Nations Children's Fund (UNICEF)	743.8
5.	Financed by the World Food Programme (WFP) b/	1 575.2
6.	Financed by the United Nations regular budget	16.6
	Total c/	3 628.2

Source: United Nations, Progress report of the Secretary-General on the implementation of General Assembly resolution 47/199, addendum, tables B.1 and B.5 (E/1994/64/Add.2).

a/ That is, UNDP central resources, including expenditures financed from government cost-sharing contributions.

b/ Includes extrabudgetary expenditures by WFP, project expenditures for development activities and emergency operations. Of the latter, most was financed from the International Emergency Food Reserve and the remainder from WFP general resources.

c/ Regular budget financed expenditures of the specialized agencies ($225 million) and their expenditures financed from extrabudgetary sources ($727.2 million) are not included in this total.

ANNEX III

Main United Nations intergovernmental and expert bodies in the economic, social and human rights fields

I. GENERAL ASSEMBLY AND TREATY BODIES REPORTING TO THE ASSEMBLY

Main Committees	(Second (Economic and Financial); Third (Social, Humanitarian and Cultural))
Treaty bodies	(Elimination of Racial Discrimination; Human Rights (International Covenant on Civil and Political Rights); Economic, Social and Cultural Rights; Elimination of Discrimination against Women; Torture; Rights of the Child)
	Total 9 a/

II. ECONOMIC AND SOCIAL COUNCIL AND ITS SUBSIDIARY BODIES

Functional commissions	(Statistics; Population; Social Development; Human Rights (including the Subcommission on Prevention of Discrimination and Protection of Minorities); Status of Women; Narcotic Drugs; Science and Technology for Development; Sustainable Development; Crime Prevention and Criminal Justice)
Standing and expert bodies	(Transnational Corporations; Human Settlements; New and Renewable Sources of Energy for Development; Non-Governmental Organizations; Programme and Coordination; Natural Resources; Development Planning; Transport of Dangerous Goods; International Cooperation in Tax Matters; Public Administration and Finance; International Standards of Accounting and Reporting; Geographical Names)

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a/ In addition there are at present preparatory bodies for the World Summit for Social Development, the Fiftieth Anniversary of the United Nations, the International Conference on Population and Development, the Global Conference on the Sustainable Development of Small Island Developing States and the United Nations Conference on Human Settlements (Habitat II); there are also Intergovernmental Negotiating Committees for a Framework Convention on Climate Change and for the Elaboration of an International Convention to Combat Desertification, and a United Nations Conference on Straddling Fish Stocks and Highly Migratory Fish Stocks.

Regional commissions	(Economic Commission for Africa; Economic and Social Commission for Asia and the Pacific; Economic Commission for Europe; Economic Commission for Latin America and the Caribbean; Economic and Social Commission for Western Asia)
	Total 73 b/

III. OTHER UNITED NATIONS PROGRAMMES, ORGANS AND FUNDS

United Nations Conference on Trade and Development:	Conference Trade and Development Board Other UNCTAD Standing Committees and Ad Hoc Working Groups (11)
United Nations International Drug Control Programme:	International Narcotics Control Board
United Nations Development Programme:	Executive Board
United Nations Environment Programme:	Governing Council
United Nations Population Fund:	(same board as UNDP)
United Nations High Commissioner for Refugees:	Executive Committee
United Nations Children's Fund:	Executive Board
United Nations Development Fund for Women:	Consultative Committee
United Nations Relief and Works Agency for Palestine Refugees in the Near East:	Advisory Commission
World Food Council:	
World Food Programme:	Committee on Food Aid Policies and Programmes
	Total 23
	Grand total 105

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b/ This total includes 45 subsidiary bodies reporting to the regional commissions.